

**INITIAL ENVIRONMENTAL EXAMINATION
and/or
REQUEST FOR CATEGORICAL EXCLUSION**

PROGRAM/ACTIVITY DATA

Program/Project Title: Field Support Leader with Associates
Program/Project Number: EEM-A-00-06-00001
Project Country(ies): Global. See attached list for countries and activities.
Funding Period: Sept. 30, 2005 – Sept. 29, 2010
Life of Activity Funding: \$10,000,000 for the Leader Award; up to \$350 million for Associate Awards

IEE Amendment Yes ___ No X If yes, date of original IEE: _____

IEE Prepared by: Tom Kennedy, EGAT/PR October 16, 2007
Name/Office Date

ENVIRONMENTAL ACTION RECOMMENDED(check all that apply):

Categorical Exclusion _____ Negative Determination _____
Positive Determination _____ Negative Determination w/ Conditions X
Deferral _____

SUMMARY OF FINDINGS AND RECOMMENDED THRESHOLD DECISION

The Financial Integration, Economic Leveraging, Broad-Based Dissemination (FIELD-Support) Leader with Associates award (LWA) is designed to implement innovative, comprehensive, and integrated approaches to sustainable economic growth with poverty reduction. This includes building more inclusive financial systems, improving the competitiveness of industries in which micro and small enterprises participate, and enhancing the overall policy and regulatory environment to enable broad-based economic growth.

FIELD-Support is also designed to respond to the economic security needs of special populations, such as families hurt by civil conflict and natural disaster, communities hit hard by HIV/AIDS and other health issues, as well as address the livelihood and enterprise needs of difficult-to-reach clientele such as the poor in remote rural areas, youth, women, refugees, and internally displaced persons.

FIELD Support includes both Leader and Associate award activities. The FIELD Support LWA brings together core Leader Award of \$10 million and a streamlined process for Missions and USAID operating units to access FIELD-Support expertise. Under this mechanism, USAID operating units may issue Associate Awards up to a ceiling of \$350 million. FIELD-Support will operate through FY 2010, with a possible five-year extension through 2015.

Most activities fall in one or more categories of exclusion, however some activities have the potential for some environmental impacts. Therefore a Negative Determination with Conditions is recommended, with conditions as follow:

For activities that could result in some environmental impact (e.g., financing of irrigation systems, support for farming practices that include use of pesticides), an amendment to this IEE will be prepared and submitted to the appropriate (BEO). Principles of environmentally sound design and best management practices for mitigating potential impacts will be incorporated into the planning for any such activities. No activity falling under this requirement will proceed until the IEE has been reviewed and approved by the appropriate BEO.

There are no plans to procure or use pesticides of any kind or to recommend the use of pesticides of any kind in any activities conducted under the Leader Award. If an opportunity for pesticide procurement or use, or to recommend pesticide procurement or use arises, the CTO shall ensure that no funds are spent on such procurement or use, or recommendation for procurement or use, until after an amendment to this IEE that addresses the pesticide procedures outlined under 22 CFR 216.3(b) and including a Pesticide Evaluation and Safe Use Action Plan is completed and approved in writing by the EGAT Bureau Environmental Officer.

The CTO will advise the Leader of these requirements and will monitor activities completed under this agreement.

Recommended By:  FOR JWASIELEWSKI 11/2/07
John Wasielewski, Acting Office Director Date

Concurrence:  11/5/07
Joyce A. Jatto Date
EGAT Bureau Environmental Officer

Approved: X

Disapproved: _____

Initial Environmental Examination (IEE)

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Project Country(ies): Global. See attached list for countries and activities.

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1. Background and Activity/Program description

The Financial Integration, Economic Leveraging, Broad-Based Dissemination (FIELD-Support) Leader with Associates award (LWA) is designed to implement innovative, comprehensive, and integrated approaches to sustainable economic growth with poverty reduction. This includes building more inclusive financial systems, improving the competitiveness of industries in which micro and small enterprises participate, and enhancing the overall policy and regulatory environment to enable broad-based economic growth.

FIELD-Support is also designed to respond to the economic security needs of special populations, such as families hurt by civil conflict and natural disaster, communities hit hard by HIV/AIDS and other health issues, as well as address the livelihood and enterprise needs of difficult-to-reach clientele such as the poor in remote rural areas, youth, women, refugees, and internally displaced persons.

An LWA is similar to an Indefinite Quantity Contract (IQC) but uses grants and cooperative agreements instead of contracts to fund and carry out activities. In addition, unlike an IQC no further competition is required to issue sub-awards once the initial award is granted.

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Current Leader Award activities are organized around three themes:

- Extending the reach of microfinance
- Working effectively in fragile environments
- Exploring more integrated approaches to microenterprise development across sectors

Examples include:

- integrating a Market Development Approach to Health Sector Assessments and Intervention Design in Bangladesh
- Community Managed Savings and Loan Funds: Developing Performance management standards
- Creation of Model Guidelines for Sustainable Microenterprise Development in Fragile States
- Integrating the Unbanked through Remittance-linked Product Development in Guatemala

Associates Awards can serve a wide range of short and long-term program needs specific to a particular USAID mission or operating unit. Each request for assistance includes an activity description, budget guidelines and reporting requirements, to which the FIELD-Support team provides a technical and cost proposal. Examples include, but are not limited to: Assessments, evaluations, evaluations and multi-year project implementation.

Attached are descriptions of all active and completed projects as of the end of the last quarterly reporting cycle, June 30, 2007.

2. Evaluation of Environmental Impact Potential

Most activities fall in one or more category of exclusion as follows:

1. 22 CFR 216.2(c)(2)(i) Education, technical assistance, or training programs except to the extent such programs include activities directly affecting the environment (such as construction of facilities, etc.);
2. 22 CFR 216.2(c)(2)(iii) Analyses, studies, academic or research workshops and meetings;
3. 22 CFR 216.2(c)(2)(v) Document and information transfers.

Some small scale activities, however, such as financing for irrigation systems or support for improvements in agricultural methods, have potential for some environmental impact. For activities that could result in some environmental impact (e.g., financing of irrigation systems, support for farming practices that include use of pesticides), there is guidance that can be incorporated into the planning for those activities that will provide for environmentally sound design and appropriate mitigation measures. Guidance to be used is available at:

- Environmental Guidelines for Small-Scale Activities in Africa 2nd Edition – <http://www.encapafrica.org/egssaa.htm#II>
- Environmental Guidelines for Small Scale Activity in Asia Near East – http://www.usaid.gov/our_work/environment/compliance/ane/ane_guidelines.htm
- Environmental Guidelines for Development Activities in Latin America and the Caribbean – http://www.usaid.gov/locations/latin_america_caribbean/environment/docs/epiq/epiq.html

3 Recommended threshold decisions and mitigation actions (including monitoring and evaluation)

Most activities fall in one or more categories of exclusion, however some activities have the potential for some environmental impacts. Therefore a Negative Determination with Conditions is recommended.

For activities that will not result in any environmental impact, such as conducting training courses and workshops, participating in forums and one-on-one negotiations, information gathering missions, etc., that are of the type that will not result in actions that could have a direct environmental impact, no environmental review will be required.

For activities that include recommendations for activities that could result in some environmental impact (e.g., financing of irrigation systems, support for farming practices that include use of pesticides), an amendment to this Initial Environmental Examination will be prepared and submitted to the appropriate Bureau Environmental Officer (BEO). Principles of environmentally sound design and best management practices for mitigating potential impacts will be incorporated into the planning for any such activities. No activity falling under this requirement will proceed until the IEE has been reviewed and approved by the appropriate BEO.

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